

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:3496

ANSWERED ON:10.12.2009

DEMAND AND SUPPLY OF STEEL

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**Will the Minister of STEEL be pleased to state:**

- (a) whether the World Steel Association has predicted decline in demand of steel globally;
- (b) if so, the details thereof;
- (c) the production of steel in the country during the last three years and current year company-wise;
- (d) the details of gap between the demand and supply of steel in the country during the above period; and
- (e) the steps taken to bridge the gap?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI A. SAI PRATHAP)

(a)&(b): According to the Short Range Outlook released by the World Steel Association (WSA) in October, 2009, global apparent steel use is projected to decline both in 2008 and 2009 but is likely to increase in 2010. The World Steel Association projections are summarized below.

| Year | Projected World Apparent Steel Use Qty (million tonnes, or mt) | % change over last year |
|------|--|-------------------------|
|------|--|-------------------------|

|      |               |        |
|------|---------------|--------|
| 2008 | 1207 (actual) | -1.4 % |
|------|---------------|--------|

|      |      |        |
|------|------|--------|
| 2009 | 1104 | -8.6 % |
|------|------|--------|

|      |      |       |
|------|------|-------|
| 2010 | 1206 | 9.2 % |
|------|------|-------|

Source: World Steel Association

(c) Producer/producer-group-wise production of crude steel during the last three years is given in ANNEXURE. For the period April-November 2009-10 the figure is as below:

| (in million tonnes) |  |
|---------------------|--|
| Producer/Group      | Crude steel production : April-November 2009-10# |

|      |      |
|------|------|
| SAIL | 8.97 |
|------|------|

RINL 2.01

Tata Steel Ltd 4.27

Major Producers 8.6

Other Producers 14.05

TOTAL 37.9

Source: JPC;# = provisional

(d) Data on production for sale, import, export, consumption of total finished steel (non-alloy + alloy) in the country during the last three years and April-November 2009-10 is given in the table below and indicates that supply has always been able to meet the steel consumption during the period concerned:

(in million tonnes)

Year Total Finished Steel (non-alloy + alloy)

Production for sale Import Export Consumption

2006-07 52.53 4.93 5.24 46.78

2007-08 56.08 7.03 5.08 52.12

2008-09# 56.42 5.72 3.66 52.05

April-Nov. 2009-10# 38.57 4.58 1.78 35.97

Source: JPC; # = provisional

(e) Considering that the steel demand in India is likely to grow in the future, Government is facilitating setting up of new steel production capacities in the country. The public sector units under Ministry of Steel, Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) have already undertaken major capacity expansion plans. SAIL has planned to increase its present capacity from 13.82 million tonnes per annum (mtpa) of crude steel to 23.46 mtpa by the year 2012-13. Similarly, RINL is also undertaking its liquid steel capacity from 3.0 mtpa to 6.3 mtpa by the year 2011-12.

There are also similar capacity expansion projects by the private sector, for which Government is providing all facilitation for timely

completion of the projects.